

**AGREEMENT FOR SPECIALIZED LEGAL SERVICES**

THIS AGREEMENT is made and entered into this 7<sup>th</sup> day of January 2020 by and between the **COUNTY OF FRESNO**, a political subdivision of the State of California, hereinafter referred to as "**COUNTY**," and Parker, Kern, Nard & Wenzel PC, hereinafter referred to as "**ATTORNEY**."

**W I T N E S S E T H:**

WHEREAS, COUNTY is responsible for the administration and defense of General Liability, Auto Liability, Employment Law and Medical Malpractice claims against COUNTY employee(s).

WHEREAS, COUNTY needs and wishes to engage appropriate legal counsel, who is skilled and knowledgeable in defense of General Liability claims or other claims that are covered under the County's General Liability and Medical Malpractice Programs, and to advise and represent COUNTY employee(s) in connection with the matters, as provided herein; and

WHEREAS, ATTORNEY states that it is experienced, possesses expertise in such matters, and is willing to perform said services,

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, the Parties hereto agree as follows:

**SECTION 1**

**ENGAGEMENT OF ATTORNEY**

1.1 COUNTY hereby engages ATTORNEY as an independent contractor, and any associated staff ATTORNEY and paralegals or other legal support staff as ATTORNEY deems necessary, and whom COUNTY Human Resources Department, Risk Management Division approves.

1.2 Each claim will be handled by the ATTORNEY to which the assignment is made unless COUNTY approves the handling by another ATTORNEY in the firm.

1 Associated staff may assist the ATTORNEY as deemed necessary.

2 1.3 Any additional instructions relative to the handling of a claim which are not  
3 specified or otherwise alluded to in this Agreement will be included in the letter of  
4 engagement for each claim assigned to ATTORNEY. Such instructions will be complied  
5 with by ATTORNEY as well as any additional client direction in the management of the  
6 claim.

## 7 SECTION 2

### 8 SCOPE OF SERVICES

9 2.1 ATTORNEY shall assist, advise, and represent COUNTY employee(s) in  
10 connection with all matters relative to the administration and defense of the claims  
11 assigned by Human Resources Department, Risk Management Division staff, as  
12 specified by COUNTY and per the terms set forth in this Agreement.

13 2.2 ATTORNEY shall perform such other similar legal services as requested  
14 by COUNTY Risk Management in connection with the matters related to the  
15 administration and defense of the assigned claims.

## 16 SECTION 3

### 17 PERFORMANCE BY ATTORNEY

18 3.1 ATTORNEY agrees to avoid unnecessary duplicative efforts by  
19 ATTORNEY and any associated counsel and/or staff members of ATTORNEY in the  
20 performance of services for COUNTY hereunder.

21 3.2 COUNTY shall not be obligated to compensate ATTORNEY for intra-office  
22 conferences between or among ATTORNEY, associate ATTORNEYS, and/or other staff  
23 members, unless such intra-office conferences promote efficiency in the performance of  
24 ATTORNEY'S work on a matter, or a reduction in the cost of compensation paid or  
25 reimbursement made for related, actual, reasonable and necessary, out-of-pocket  
26 expenses to ATTORNEY, or both.

3.3 In the performance of the tasks identified in Section 2 of this Agreement, ATTORNEY shall provide only those services which are necessary to carry out such tasks in an efficient and effective manner.

3.4 COUNTY must approve the retention of all experts, consultants, investigators, and any other unusual expenditures.

## SECTION 4

### COMPENSATION OF ATTORNEY

4.1 COUNTY shall be obligated to compensate ATTORNEY pursuant to the terms and conditions of this Agreement and for the performance of those tasks identified in Section 2 of this Agreement, to the reasonable satisfaction of the COUNTY, that take place during the term of this Agreement. It is understood that COUNTY shall not be obligated to compensate ATTORNEY for:

(a) any work, services, or functions performed by ATTORNEY that do not arise directly from the performance of tasks identified in Section 2 of this Agreement;  
and

(b) providing COUNTY with documentation, explanations, or justifications concerning the adequacy or accuracy of ATTORNEY's invoices for the performance of services under this Agreement, and resolving same to the reasonable satisfaction of COUNTY.

4.2 COUNTY agrees to pay and ATTORNEY agrees to accept as full compensation for performance of tasks under this Agreement ATTORNEY's reasonable fees as described in Attachment A, Schedule of Rates. These scheduled rates may be increased up to Five percent (5%) after the third (3<sup>rd</sup>) year of this Agreement with approval of the County, or the Director of Human Resources or his designee.

4.3 ATTORNEY shall be reimbursed for actual, reasonable, and necessary out-of-pocket expenses, as follows: telephone charges, facsimile charges, computer

1 research charges, filing fees, postage charges, printing and photographic reproduction  
2 expenses, and all other directly-related expenses. It is understood that ATTORNEY  
3 shall not be reimbursed for his secretarial, clerical, word processing or typist services  
4 (including overtime hours worked), that is "normal office operating expenses," with the  
5 exception of those charges and expenses stated above. In addition, ATTORNEY shall  
6 not be reimbursed for such normal office operating expenses incurred, regardless of  
7 who performs such services or incurs such expenses.

8 4.4 COUNTY will not reimburse ATTORNEY for any travel within the cities of  
9 Fresno and Clovis.

10 4.5 Notwithstanding anything else stated to the contrary in this Agreement, in  
11 no event shall the maximum amount paid by COUNTY to ATTORNEY as  
12 compensation, and as reimbursement of related, actual, reasonable and necessary, out-  
13 of-pocket expenses, exceed one million five hundred thousand dollars (\$1,500,000.00)  
14 annually.

## 15 SECTION 5

### 16 PAYMENT AND RECORD-KEEPING

17 5.1 Subject to Section 4 of this Agreement, payment of compensation for the  
18 services provided and reimbursement for related, actual, reasonable and necessary,  
19 out-of-pocket expenses incurred which are described herein shall be made by COUNTY  
20 after submission of an itemized invoice by ATTORNEY to Human Resources  
21 Department, Risk Management Division. ATTORNEY shall submit such invoices no  
22 later than the twentieth (20<sup>th</sup>) day of the month following the month services are  
23 completed, unless the bill totals less than one hundred dollars (\$100). The file will not  
24 be billed until the total reaches at least one hundred dollars (\$100) or the claim is  
25 closed. All payments by COUNTY will be made within forty-five (45) days after receipt,  
26 verification and approval of ATTORNEY'S invoices by COUNTY'S Human Resources  
27 Department, Risk Management Division.

1           5.2 All such invoices shall have sufficient detail as may be required by the  
2 COUNTY Auditor-Controller/Treasurer-Tax Collector, including, but not limited to:

3           5.2.1 The plaintiff's name, the date of loss, the COUNTY's claim number and  
4 any other identifying information that will indicate the file to which billing is to be  
5 assigned.

6           5.2.2 The specific nature of each task performed as services under this  
7 Agreement;

8           5.2.3 The name of the ATTORNEY or staff member performing each task;

9           5.2.4 The number of hours worked by each such person for each such task;

10          5.2.5 The hourly rate per each such person performing each such task;

11          5.2.6 The related, actual, reasonable and necessary, out-of-pocket expenses  
12 incurred, as provided for in Section 4 of this Agreement;

13          5.2.7 A certification by ATTORNEY that each such invoice is true and accurate  
14 as to the information and specification contained therein;

15          5.3 In addition to the requirements of Section 5.2, each invoice shall set forth  
16 a summary of hours worked by each ATTORNEY and staff member for the applicable  
17 billing period. Each invoice shall set forth the product of such summary of hours worked  
18 by each person multiplied by each such person's billing rate, as set forth in Attachment  
19 A, Schedule of Rates.

20          5.4 In preparing invoices, if requested by COUNTY Human Resources  
21 Department, Risk Management Division, ATTORNEY shall segregate each task  
22 performed on a daily basis. If so requested by COUNTY, ATTORNEY shall not  
23 combine unrelated tasks as a single entry in lieu of setting forth the hours of work  
24 performed by an ATTORNEY or staff member on each specific task.

25          5.5 ATTORNEY shall prepare all invoices in an organized manner that  
26 facilitates an efficient review of the services performed and the expenses incurred in  
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1 order to provide COUNTY with a clear and complete picture of how much time was  
2 devoted to specific tasks and projects, and the cost associated therewith.

3 5.6 ATTORNEY shall keep complete records of the services provided, as  
4 described in this Section 5, together with all related actual, reasonable and necessary,  
5 out-of-pocket expenses applicable to the work provided under this Agreement. The  
6 County Auditor-Controller/Treasurer-Tax Collector, or his or her duly authorized  
7 representatives, shall be given reasonable access to all of these records for the  
8 purposes of audit of this Agreement. In addition, ATTORNEY shall be subject to the  
9 examination and audit of such records by the State Auditor for a period of three (3)  
10 years after final payment under this Agreement, pursuant to Government Code section  
11 8546.7, as applicable.

12 5.7 Attorney shall provide to COUNTY a W-9, 1099 and CA Form 590 as  
13 appropriate upon execution of the agreement and annually thereafter.

## 14 SECTION 6

### 15 TERM OF AGREEMENT

16 6.1 This Agreement shall be effective and shall commence January 13, 2020.  
17 This agreement shall continue in full force and effect until January 12, 2023. This  
18 Agreement may be extended for two (2) additional consecutive twelve (12) month  
19 periods upon written approval of both parties no later than thirty (30) days prior to the  
20 first day of the next twelve (12) month extension period. The Director of the Human  
21 Resources Department, or his designee, is authorized to execute such written approval  
22 on behalf of COUNTY based on ATTORNEY's satisfactory performance. COUNTY  
23 may terminate this Agreement at any time for any reason by providing written notice to  
24 ATTORNEY.

25 6.2 ATTORNEY may terminate this Agreement for material breach after giving  
26 COUNTY written notice and 10 days to correct the breach. However, COUNTY's rights  
27 under any pending matter which may arise from ATTORNEY's service hereunder shall  
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1 not be prejudiced due to such termination, as required by the Rules of Professional  
2 Conduct of the State Bar of California. Subject to Section 4 of this Agreement,  
3 ATTORNEY shall be paid for all services performed to the reasonable satisfaction of the  
4 COUNTY, to the date of termination of this Agreement.

## 5 SECTION 7

### 6 INDEPENDENT CONTRACTOR

7 7.1 In performance of the work, duties, and obligations assumed by  
8 ATTORNEY under this Agreement, it is mutually understood and agreed that  
9 ATTORNEY, including any and all of ATTORNEY's officers, agents, and employees, will  
10 at all times be acting and performing as an independent contractor, and shall act in an  
11 independent capacity and not as an officer, agent, servant, employee, joint venturer,  
12 partner, or associate of COUNTY. However, COUNTY shall retain the right to  
13 administer this Agreement to verify that ATTORNEY is performing its obligations in  
14 accordance with the terms and conditions thereof. ATTORNEY and COUNTY shall  
15 comply with all applicable provisions of law and the rules and regulations, if any, of  
16 governmental authorities having jurisdiction over the subject matter thereof.

17 7.2 Because of its status as an independent contractor, ATTORNEY, including  
18 any and all of ATTORNEY's officers, agents, and employees, shall have absolutely no  
19 right to employment rights and benefits available to COUNTY employees. ATTORNEY  
20 shall be solely liable and responsible for providing to, or on behalf of, its employees all  
21 legally required employee benefits. In addition, ATTORNEY shall be solely responsible  
22 and hold COUNTY harmless from all matters related to payment of ATTORNEY's  
23 employees, including compliance with social security, withholding, and all other  
24 regulations governing such matters. It is acknowledged that during the term of this  
25 Agreement, ATTORNEY may be providing services to others unrelated to the COUNTY  
26 or to this Agreement.

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3 **SECTION 8**

4 **HOLD HARMLESS**

5 8.1 ATTORNEY agrees to indemnify, save, hold harmless, and at COUNTY'S  
6 request, defend the COUNTY, its officers, agents, and employees from any and all costs  
7 and expenses (including attorney's fees and costs), damages, liabilities, claims, and  
8 losses occurring or resulting to COUNTY in connection with the performance, or failure to  
9 perform, by ATTORNEY, its officers, agents, or employees under this Agreement, and  
10 from any and all costs and expenses (including attorney's fees and costs), damages,  
11 liabilities, claims, and losses occurring or resulting to any person, firm, or corporation who  
12 may be injured or damaged by the performance, or failure to perform, of ATTORNEY,  
13 its officers, agents, or employees under this Agreement.

14 **SECTION 9**

15 **INSURANCE**

16 Without limiting the COUNTY's right to obtain indemnification from ATTORNEY  
17 or any third parties, ATTORNEY, at its sole expense, shall maintain in full force and  
18 effect, the following insurance policies or a program of self-insurance, including but not  
19 limited to, an insurance pooling arrangement or Joint Powers Agreement (JPA)  
20 throughout the term of the Agreement:

21 9.1 **Professional Liability**

22 ATTORNEY shall maintain Professional Liability Insurance with limits of  
23 not less than one million dollars (\$1,000,000.00) per occurrence and three million  
24 dollars (\$3,000,000.00) annual aggregate. ATTORNEY shall provide COUNTY with  
25 written evidence of such coverage. This coverage may be issued on a per claim basis.  
26 If so, ATTORNEY agrees that it shall maintain, at its sole expense, so-called "tail  
27 coverage" in full force and effect for a period of three (3) years following the termination  
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1 of this Agreement, which shall be one or more policies of professional liability insurance  
2 with limits of coverage as specified herein.

3       9.2    Automobile Liability

4       Comprehensive Automobile Liability Insurance with limits of not less than One  
5 Million Dollars (\$1,000,000.00) per accident for bodily injury and for property damages.  
6 Coverage should include any auto used in connection with this Agreement.

7       9.3    Commercial General Liability

8       ATTORNEY shall maintain Commercial General Liability Insurance with  
9 limits of not less than two million dollars (\$2,000,000.00) per occurrence and an annual  
10 aggregate of four million dollars (\$4,000,000.00). This policy shall be issued on a per-  
11 occurrence basis. COUNTY may require specific coverage including completed  
12 operations, product liability, contractual liability, explosion-collapse-underground liability,  
13 fire legal liability, or any other liability insurance deemed necessary because of the  
14 nature of the contract.

15       9.4    Workers' Compensation

16       ATTORNEY shall maintain a policy of Workers' Compensation insurance  
17 as may be required by the California Labor Code.

18                               **SECTION 10**

19                               **ADDITIONAL INSURANCE TERMS**

20       10.1   ATTORNEY shall obtain endorsements to the Commercial General  
21 Liability insurance naming the County of Fresno, its officers, agents, and employees,  
22 individually and collectively, as additional insured, but only insofar as the operations  
23 under this Agreement are concerned. Such coverage for additional insured shall apply  
24 as primary insurance and any other insurance, or self-insurance, maintained by County,  
25 its officers, agents and employees shall be excess only and not contributing with  
26 insurance provided under ATTORNEY's policies herein. This insurance shall not be  
27 cancelled or changed without a minimum of thirty (30) days advance written notice  
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1 given to COUNTY.

2       10.2 ATTORNEY hereby waives its right to recover from COUNTY, its officers,  
3 agents, and employees any amounts paid by the policy of worker's compensation  
4 insurance required by this Agreement. ATTORNEY is solely responsible to obtain any  
5 endorsement to such policy that may be necessary to accomplish such waiver of  
6 subrogation, but ATTORNEY's waiver of subrogation under this paragraph is effective  
7 whether or not ATTORNEY obtains such an endorsement.

8       10.3 Within thirty (30) days from the date ATTORNEY executes this  
9 Agreement, ATTORNEY shall provide certificates of insurance and endorsement as  
10 stated above for all of the foregoing policies, as required in Section 9 herein, to  
11 COUNTY, Human Resources Department, Risk Management Division, stating that such  
12 insurance coverage has been obtained and is in full force and effect; that the County of  
13 Fresno, its officers, agents and employees will not be responsible for any premiums on  
14 the policies; that for such worker's compensation insurance the ATTORNEY has waived  
15 its right to recover from the COUNTY, its officers, gents, and employees any amounts  
16 paid under the insurance policy and that waiver does not invalidate the insurance policy;  
17 that such Commercial General Liability insurance names the COUNTY, its officers,  
18 agents and employees, individually and collectively, as additional insured, but only  
19 insofar as the operations under this Agreement are concerned; that such coverage for  
20 additional insured shall apply as primary insurance and any other insurance, or self-  
21 insurance, maintained by COUNTY, its officers, agents and employees, shall be excess  
22 only and not contributing with insurance provided under ATTORNEY's policies herein;  
23 and that this insurance shall not be cancelled or changed without a minimum of thirty  
24 (30) days advance, written notice given to COUNTY.

25       10.3 In the event ATTORNEY fails to keep in effect at all times insurance  
26 coverage as herein provided, the COUNTY may, in addition to other remedies it may  
27 have, suspend or terminate this Agreement upon the occurrence of such event.

1           10.4 All policies shall be with admitted insurers licensed to do business in the  
2 State of California. Insurance purchased shall be purchased from companies  
3 possessing a current A.M. Best, Inc. rating of A, FSC VII or better.

4                                   **SECTION 11**

5                                   **AGREEMENT BINDING ON SUCCESSORS**

6           11.1 This Agreement shall be binding upon COUNTY and ATTORNEY and  
7 their successors, executors, administrators, legal representatives, and assigns with  
8 respect to all the covenants and conditions set forth herein.

9                                   **SECTION 12**

10                                  **ASSIGNMENT AND SUBCONTRACTING**

11           12.1 Neither party hereto shall assign, transfer, or sub-contract neither this  
12 Agreement nor its rights nor duties hereunder without the written consent of the other.  
13 County Risk Manager, or his or her designee, may give such consent on behalf of the  
14 COUNTY, provided however, the assignee, transferee or sub-contractor shall carry  
15 insurance of a type and in an amount that is acceptable to COUNTY's Risk Manager, or  
16 his or her designee.

17                                  **SECTION 13**

18                                  **AMENDMENTS**

19           13.1 This Agreement may be amended only in writing signed by the Parties  
20 hereto.

21                                  **SECTION 14**

22                                  **CONFLICT OF INTEREST**

23           14.1 ATTORNEY promises, covenants, and warrants that the performance of  
24 their services and representation of COUNTY under this Agreement do not result in a  
25 "conflict of interest" as that term is used in the Rules of Professional Conduct of the  
26 State Bar of California. In the event a "conflict of interest" occurs, ATTORNEY will  
27 request that COUNTY waive such "conflict of interest" on a case-by-case basis. If the  
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COUNTY does not waive the conflict, ATTORNEY must resolve the conflicting issue in the favor of COUNTY.

## SECTION 15

### FURTHER ASSURANCES BY ATTORNEYS

15.1 ATTORNEY represents that it has read and is familiar with Government Code Section 1090 *et seq.* and Section 87100 *et seq.* ATTORNEY promises, covenants, and warrants that the performance of its services under this Agreement shall not result in or cause a violation of Government Code Section 1090 *et seq.* and Section 87100 *et seq.*

## SECTION 16

### COMPLIANCE WITH LAWS

16.1 ATTORNEY shall comply with all federal, state, and local laws and regulations applicable to the performance of its obligations under this Agreement and maintain all licenses as required in the performance of its duties.

## SECTION 17

### HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT

17.1 The parties to this Agreement shall be in strict conformance with all applicable Federal and State of California laws and regulations, including, but not limited to Sections 5328, 10850, and 14100.2 *et seq.* of the Welfare and Institutions Code, Sections 2.1 and 431.300 *et seq.* of Title 42, Code of Federal Regulations (CFR), Section 56 *et seq.* of the California Civil Code, Sections 11977 and 11812 of Title 22 of the California Code of Regulations, and the Health Insurance Portability and Accountability Act (HIPAA), including but not limited to Section 1320 D *et seq.* of Title 42, United States Code (USC) and its implementing regulations, including, but not limited to, Title 45, CFR, Sections 142, 160, 162, and 164, The Health Information

1 Technology for Economic and Clinical Health Act (HITECH) regarding the confidentiality  
2 and security of patient information, and the Genetic Information Nondiscrimination Act  
3 (GINA) of 2008 regarding the confidentiality of genetic information.

4 Except as otherwise provided in this Agreement, ATTORNEY, as a Business  
5 Associate of COUNTY, may use or disclose Protected Health Information (PHI) to  
6 perform functions, activities or services for or on behalf of COUNTY, as specified in this  
7 Agreement, provided that such use or disclosure shall not violate the Health Insurance  
8 Portability and Accountability Act (HIPAA), USC 1320d *et seq.* The uses and  
9 disclosures of PHI may not be more expansive than those applicable to COUNTY, as  
10 the "Covered Entity" under the HIPAA Privacy Rule (45 CFR 164.500 *et seq.*), except as  
11 authorized for management, administrative or legal responsibilities of the Business  
12 Associate.

13 17.2 ATTORNEY, including its subcontractors and employees, shall protect  
14 from unauthorized access, use, or disclosure of names and other identifying  
15 information, including genetic information, concerning persons receiving services  
16 pursuant to this Agreement, except where permitted in order to carry out data  
17 aggregation purposes for health care operations [45 CFR Sections 164.504 (e)(2)(i),  
18 164.504 (3)(2)(ii)(A), and 164.504 (e)(4)(i)]. This pertains to any and all persons  
19 receiving services pursuant to a COUNTY funded program. This requirement applies to  
20 electronic PHI. ATTORNEY shall not use such identifying information or genetic  
21 information for any purpose other than carrying out ATTORNEY's obligations under this  
22 Agreement.

23 17.3 ATTORNEY, including its subcontractors and employees, shall not  
24 disclose any such identifying information or genetic information to any person or entity,  
25 except as otherwise specifically permitted by this Agreement, authorized by Subpart E  
26 of 45 CFR Part 164 or other law, required by the Secretary, or authorized by the  
27 client/patient in writing. In using or disclosing PHI that is permitted by this Agreement or  
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1 authorized by law, ATTORNEY shall make reasonable efforts to limit PHI to the  
2 minimum necessary to accomplish intended purpose of use, disclosure or request.

3 17.4 For purposes of the above sections, identifying information shall include,  
4 but not be limited to, name, identifying number, symbol, or other identifying particular  
5 assigned to the individual, such as fingerprint or voiceprint, or photograph.

6 17.5 For purposes of the above sections, genetic information shall include  
7 genetic tests of family members of an individual or individual(s), manifestation of  
8 disease or disorder of family members of an individual, or any request for or receipt of  
9 genetic services by individual or family members. Family member means a dependent  
10 or any person who is first, second, third, or fourth degree relative.

11 17.6 ATTORNEY shall provide access, at the request of COUNTY, and in the  
12 time and manner designated by COUNTY, to PHI in a designated record set (as defined  
13 in 45 CFR Section 164.501), to an individual or to COUNTY in order to meet the  
14 requirements of 45 CFR Section 164.524 regarding access by individuals to their PHI.  
15 With respect to individual requests, access shall be provided within thirty (30) days from  
16 request. Access may be extended if ATTORNEY cannot provide access and provides  
17 individual with the reasons for the delay and the date when access may be granted.  
18 PHI shall be provided in the form and format requested by the individual or COUNTY.

19 ATTORNEY shall make any amendment(s) to PHI in a designated record set at  
20 the request of COUNTY or individual, and in the time and manner designated by  
21 COUNTY in accordance with 45 CFR Section 164.526.

22 ATTORNEY shall provide to COUNTY or to an individual, in a time and manner  
23 designated by COUNTY, information collected in accordance with 45 CFR Section  
24 164.528, to permit COUNTY to respond to a request by the individual for an accounting  
25 of disclosures of PHI in accordance with 45 CFR Section 164.528.

26 17.7 ATTORNEY shall report to COUNTY, in writing, any knowledge or  
27 reasonable belief that there has been unauthorized access, viewing, use, disclosure,  
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1 security incident, or breach of unsecured PHI not permitted by this Agreement of which  
2 it becomes aware, immediately and without reasonable delay and in no case later than  
3 two (2) business days of discovery. Immediate notification shall be made to COUNTY's  
4 Information Security Officer and Privacy Officer and COUNTY's DPH HIPAA  
5 Representative, within two (2) business days of discovery. The notification shall  
6 include, to the extent possible, the identification of each individual whose unsecured  
7 PHI has been, or is reasonably believed to have been, accessed, acquired, used,  
8 disclosed, or breached. ATTORNEY shall take prompt corrective action to cure any  
9 deficiencies and any action pertaining to such unauthorized disclosure required by  
10 applicable Federal and State laws and regulations. ATTORNEY shall investigate such  
11 breach and is responsible for all notifications required by law and regulation or deemed  
12 necessary by COUNTY and shall provide a written report of the investigation and  
13 reporting required to COUNTY's Information Security Officer and Privacy Officer and  
14 COUNTY's DPH HIPAA Representative.

15 This written investigation and description of any reporting necessary shall be  
16 postmarked within the thirty (30) working days of the discovery of the breach to the  
17 addresses below:

18  
19 County of Fresno  
20 Dept. of Public Health Svcs.  
21 HIPAA Representative  
(559) 600-6439  
22 P.O. Box 11867  
Fresno, CA 93775

County of Fresno  
Dept. of Public Health  
Privacy Officer  
(559) 600-6405  
P.O. Box 11867  
Fresno, CA 93775

County of Fresno  
Information Technology  
Information Security Officer  
(559) 600-5800  
2048 N. Fine Street  
Fresno, CA 93727

23  
24 17.8 ATTORNEY shall make its internal practices, books, and records relating  
25 to the use and disclosure of PHI received from COUNTY, or created or received by the  
26 ATTORNEY on behalf of COUNTY, in compliance with HIPAA's Privacy Rule, including,  
27 but not limited to, the requirements set forth in Title 45, CFR, Sections 160 and 164.  
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1 ATTORNEY shall make its internal practices, books, and records relating to the use and  
2 disclosure of PHI received from COUNTY, or created or received by the ATTORNEY on  
3 behalf of COUNTY, available to the United States Department of Health and Human  
4 Services (Secretary) upon demand.

5 ATTORNEY shall cooperate with the compliance and investigation reviews  
6 conducted by the Secretary. PHI access to the Secretary must be provided during the  
7 ATTORNEY's normal business hours; however, upon exigent circumstances access at  
8 any time must be granted. Upon the Secretary's compliance or investigation review, if  
9 PHI is unavailable to ATTORNEY and in possession of a Subcontractor, it must certify  
10 efforts to obtain the information to the Secretary.

#### 11 17.9 Safeguards

12 ATTORNEY shall implement administrative, physical, and technical safeguards  
13 as required by the HIPAA Security Rule, Subpart C of 45 CFR 164, that reasonably and  
14 appropriately protect the confidentiality, integrity, and availability of PHI, including  
15 electronic PHI, that it creates, receives, maintains or transmits on behalf of COUNTY  
16 and to prevent unauthorized access, viewing, use, disclosure, or breach of PHI other  
17 than as provided for by this Agreement. ATTORNEY shall conduct an accurate and  
18 thorough assessment of the potential risks and vulnerabilities to the confidentiality,  
19 integrity and availability of electronic PHI. ATTORNEY shall develop and maintain a  
20 written information privacy and security program that includes administrative, technical  
21 and physical safeguards appropriate to the size and complexity of ATTORNEY's  
22 operations and the nature and scope of its activities. Upon COUNTY's request,  
23 ATTORNEY shall provide COUNTY with information concerning such safeguards.

24 ATTORNEY shall implement strong access controls and other security  
25 safeguards and precautions in order to restrict logical and physical access to  
26 confidential, personal (e.g., PHI) or sensitive data to authorized users only. Said  
27 safeguards and precautions shall include the following administrative and technical  
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1 password controls for all systems used to process or store confidential, personal, or  
2 sensitive data:

3 1. Passwords must not be:

4 a. Shared or written down where they are accessible or  
5 recognizable by anyone else; such as taped to computer screens, stored under  
6 keyboards, or visible in a work area;

7 b. A dictionary word; or

8 c. Stored in clear text

9 2. Passwords must be:

10 a. Eight (8) characters or more in length;

11 b. Changed every ninety (90) days;

12 c. Changed immediately if revealed or compromised; and

13 d. Composed of characters from at least three (3) of the  
14 following four (4) groups from the standard keyboard:

15 1) Upper case letters (A-Z);

16 2) Lowercase letters (a-z);

17 3) Arabic numerals (0 through 9); and

18 4) Non-alphanumeric characters (punctuation  
19 symbols).

20 ATTORNEY shall implement the following security controls on each workstation  
21 or portable computing device (e.g., laptop computer) containing confidential, personal,  
22 or sensitive data:

23 1. Network-based firewall and/or personal firewall;

24 2. Continuously updated anti-virus software; and

25 3. Patch management process including installation of all operating  
26 system/software vendor security patches.

27 ATTORNEY shall utilize a commercial encryption solution that has received FIPS  
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1 140-2 validation to encrypt all confidential, personal, or sensitive data stored on portable  
2 electronic media (including, but not limited to, compact disks and thumb drives) and on  
3 portable computing devices (including, but not limited to, laptop and notebook  
4 computers).

5 ATTORNEY shall not transmit confidential, personal, or sensitive data via e-mail  
6 or other internet transport protocol unless the data is encrypted by a solution that has  
7 been validated by the National Institute of Standards and Technology (NIST) as  
8 conforming to the Advanced Encryption Standard (AES) Algorithm. ATTORNEY must  
9 apply appropriate sanctions against its employees who fail to comply with these  
10 safeguards. ATTORNEY must adopt procedures for terminating access to PHI when  
11 employment of employee ends.

#### 12 17.10 Mitigation of Harmful Effects

13 ATTORNEY shall mitigate, to the extent practicable, any harmful effect that is  
14 suspected or known to ATTORNEY of an unauthorized access, viewing, use,  
15 disclosure, or breach of PHI by ATTORNEY or its subcontractors in violation of the  
16 requirements of these provisions. ATTORNEY must document suspected or known  
17 harmful effects and the outcome.

#### 18 17.11 ATTORNEY's Subcontractors

19 ATTORNEY shall ensure that any of its contractors, including subcontractors, if  
20 applicable, to whom ATTORNEY provides PHI received from or created or received by  
21 ATTORNEY on behalf of COUNTY, agree to the same restrictions, safeguards, and  
22 conditions that apply to ATTORNEY with respect to such PHI and to incorporate, when  
23 applicable, the relevant provisions of these provisions into each subcontract or sub-  
24 award to such agents or subcontractors.

#### 25 17.12 Employee Training and Discipline

26 ATTORNEY shall train and use reasonable measures to ensure compliance with  
27 the requirements of these provisions by employees who assist in the performance of  
28

1 functions or activities on behalf of COUNTY under this Agreement and use or disclose  
2 PHI, and discipline such employees who intentionally violate any provisions of these  
3 provisions, including termination of employment.

4 **17.13 Termination for Cause**

5 Upon COUNTY's knowledge of a material breach of these provisions by  
6 ATTORNEY, COUNTY shall either:

7 1. Provide an opportunity for ATTORNEY to cure the breach or end  
8 the violation and terminate this Agreement if ATTORNEY does not cure the breach or  
9 end the violation within the time specified by COUNTY; or

10 2. Immediately terminate this Agreement if ATTORNEY has breached  
11 a material term of these provisions and cure is not possible.

12 3. If neither cure nor termination is feasible, the COUNTY's Privacy  
13 Officer shall report the violation to the Secretary of the U.S. Department of Health and  
14 Human Services.

15 **17.14 Judicial or Administrative Proceedings**

16 COUNTY may terminate this Agreement in accordance with the terms and  
17 conditions of this Agreement as written hereinabove, if: (1) ATTORNEY is found guilty  
18 in a criminal proceeding for a violation of the HIPAA Privacy or Security Laws or the  
19 HITECH Act; or (2) a finding or stipulation that the ATTORNEY has violated a privacy or  
20 security standard or requirement of the HITECH Act, HIPAA or other security or privacy  
21 laws in an administrative or civil proceeding in which the ATTORNEY is a party.

22 **17.15 Effect of Termination**

23 Upon termination or expiration of this Agreement for any reason, ATTORNEY  
24 shall return or destroy all PHI received from COUNTY (or created or received by  
25 ATTORNEY on behalf of COUNTY) that ATTORNEY still maintains in any form, and  
26 shall retain no copies of such PHI. If return or destruction of PHI is not feasible, it shall  
27 continue to extend the protections of these provisions to such information, and limit  
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1 further use of such PHI to those purposes that make the return or destruction of such  
2 PHI infeasible. This provision shall apply to PHI that is in the possession of  
3 subcontractors or agents, if applicable, of ATTORNEY. If ATTORNEY destroys the PHI  
4 data, a certification of date and time of destruction shall be provided to the COUNTY by  
5 ATTORNEY.

6 17.16 Disclaimer

7 COUNTY makes no warranty or representation that compliance by ATTORNEY  
8 with these provisions, the HITECH Act, HIPAA or the HIPAA regulations will be  
9 adequate or satisfactory for ATTORNEY's own purposes or that any information in  
10 ATTORNEY's possession or control, or transmitted or received by ATTORNEY, is or will  
11 be secure from unauthorized access, viewing, use, disclosure, or breach. ATTORNEY  
12 is solely responsible for all decisions made by ATTORNEY regarding the safeguarding  
13 of PHI.

14 17.17 Amendment

15 The parties acknowledge that Federal and State laws relating to electronic data  
16 security and privacy are rapidly evolving and that amendment of these provisions may  
17 be required to provide for procedures to ensure compliance with such developments.  
18 The parties specifically agree to take such action as is necessary to amend this  
19 agreement in order to implement the standards and requirements of HIPAA, the HIPAA  
20 regulations, the HITECH Act and other applicable laws relating to the security or privacy  
21 of PHI. COUNTY may terminate this Agreement upon thirty (30) days written notice in  
22 the event that ATTORNEY does not enter into an amendment providing assurances  
23 regarding the safeguarding of PHI that COUNTY in its sole discretion, deems sufficient  
24 to satisfy the standards and requirements of HIPAA, the HIPAA regulations and the  
25 HITECH Act.

26 17.18 No Third-Party Beneficiaries

27 Nothing expressed or implied in the terms and conditions of these provisions is  
28

1 intended to confer, nor shall anything herein confer, upon any person other than  
2 COUNTY or ATTORNEY and their respective successors or assignees, any rights,  
3 remedies, obligations or liabilities whatsoever.

4 17.19 Interpretation

5 The terms and conditions in these provisions shall be interpreted as broadly as  
6 necessary to implement and comply with HIPAA, the HIPAA regulations and applicable  
7 State laws. The parties agree that any ambiguity in the terms and conditions of these  
8 provisions shall be resolved in favor of a meaning that complies and is consistent with  
9 HIPAA and the HIPAA regulations.

10 17.20 Regulatory References

11 A reference in the terms and conditions of these provisions to a section in the  
12 HIPAA regulations means the section as in effect or as amended.

13 17.21 Survival

14 The respective rights and obligations of ATTORNEY as stated in this Section  
15 shall survive the termination or expiration of this Agreement.

16 17.22 No Waiver of Obligation

17 No change, waiver or discharge of any liability or obligation hereunder on any  
18 one or more occasions shall be deemed a waiver of performance of any continuing or  
19 other obligation, or shall prohibit enforcement of any obligation on any other occasion.

20 **SECTION 18**

21 **GOVERNING LAW**

22 18.1 The rights and obligations of the parties and all interpretations and  
23 performance of this Agreement shall be governed in all respects by the laws of the State  
24 of California.

25 18.2 Venue for any action arising out of or related to this Agreement shall only  
26 be in Fresno County, California.

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**SECTION 19**

**DISCLOSURE OF SELF-DEALING TRANSACTIONS**

19.1 This provision is only applicable if the ATTORNEY is operating as a corporation (a for-profit or non-profit corporation) or if, during the term of the agreement, the ATTORNEY changes its status to operate as a corporation.

19.2 Members of the ATTORNEY'S Board of Directors shall disclose any self-dealing transactions that they are a party to while ATTORNEY is providing goods or performing services under this agreement. A self-dealing transaction shall mean a transaction to which the ATTONREY is a party and in which one or more of its directors has a material financial interest. Members of the Board of Directors shall disclose any self-dealing transactions that they are a party to by completing and signing a Self-Dealing Transaction Disclosure Form, attached hereto as Attachment B and incorporated herein by reference, and submitting it to the COUNTY prior to commencing with the self-dealing transaction or immediately thereafter.

**SECTION 20**

**NOTICES**

20.1 The persons and their addresses having authority to give and receive notices under this Agreement include the following:

**COUNTY**

**ATTORNEY**

County of Fresno  
ATTN: Paul Nerland  
Director of Human Resources  
2220 Tulare Street, 16th Floor  
Fresno, CA 93721

Parker, Kern, Nard & Wenzel PC  
7112 N. Fresno St. Ste 300  
Fresno, CA 93720

20.2 All notices between the COUNTY and ATTORNEY provided for or permitted under this Agreement must be in writing and delivered either by person service, by first-class United States mail, by an overnight commercial courier service, or by telephonic facsimile transmission. A notice delivered by personal service is effective upon service to the recipient. A notice delivered by first-class United States mail is

1 effective three COUNTY business days after deposit in the United States mail, postage  
2 prepaid, addressed to the recipient. A notice delivered by an overnight commercial  
3 courier service is effective one COUNTY business day after deposit with the overnight  
4 commercial courier service, delivery fees prepaid, with delivery instructions given for  
5 next day delivery, addressed to the recipient. A notice delivered by telephonic facsimile  
6 is effective when transmission to the recipient is completed (but, if such transmission is  
7 completed outside of COUNTY business hours, then such delivery shall be deemed to  
8 be effective at the next beginning of a COUNTY business day), provided that the sender  
9 maintains a machine record of the completed transmission. For all claims arising out of  
10 or related this this Agreement, nothing in this section establishes, waives, or modifies  
11 any claims presentation requirements or procedures provided by law, including but not  
12 limited to the Government Claims Act (Division 3.6 of Title 1 of the Government Code,  
13 beginning with section 810).

## 14 **SECTION 21**

### 15 **ENTIRE AGREEMENT**

16 21.1 This Agreement, and any and all documents referred to or otherwise  
17 incorporated by reference herein, constitutes the entire Agreement between COUNTY  
18 and ATTORNEY with respect to the specialized legal services to be provided herein and  
19 supersedes any previous Agreement concerning the subject matter hereof,  
20 negotiations, proposals, commitments, writings, or understandings of any nature  
21 whatsoever unless expressly included in this Agreement.

22  
23 21.2 If any part of this Agreement is found violative of any law or is found to be  
24 otherwise legally defective, ATTORNEY and COUNTY shall use their best efforts to  
25 replace that part of this Agreement with legal terms and conditions most readily  
26 approximating the original intent of the parties.

1  
2 IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be  
3 executed as of the day and year first above written.

4 ATTORNEY



5  
6 (Authorized Signature)

7 David H. Parker  
8 Director, Attorney, Shareholder  
9 Parker, Kern, Nard & Wenzel PC

10 Print Name & Title

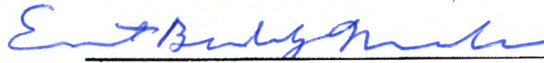
11 7112 N. Fresno St. Ste. 300

12 Mailing Address

13 Fresno, CA. 93720

14 City, State, ZIP

COUNTY OF FRESNO



Ernest Buddy Mendes, Chairman of the  
Board of Supervisors of the  
County of Fresno

ATTEST:

Bernice E. Seidel  
Clerk of the Board of Supervisors  
County of Fresno, State of California

By:

Susan Bishop  
Deputy

21 FOR ACCOUNTING USE ONLY:

22 ORG No.: 89250100  
23 Account No.: 7100  
24 Requisition No.: 8922000110  
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**ATTACHMENT A**  
**SCHEDULE OF RATES**

<b>Attorney</b>	<b>\$175.00</b>
<b>Partner</b>	<b>\$200.00</b>
<b>Paralegal</b>	<b>\$ 90.00</b>
<b>Support Staff</b>	<b>\$ 45.00</b>

<b>(1) Company Board Member Information:</b>			
<b>Name:</b>		<b>Date:</b>	
<b>Job Title:</b>			
<b>(2) Company/Agency Name and Address:</b>			
<b>(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to):</b>			
<b>(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code 5233 (a):</b>			
<b>(5) Authorized Signature</b>			
<b>Signature:</b>		<b>Date:</b>	